

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268

DSCF STANDARD MAIL LOAD LEVELING

Docket No. N2014-1

**RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MALONE  
TO PUBLIC REPRESENTATIVE INTERROGATORIES  
(PR/USPS-T1-1 THROUGH 10)**

The United States Postal Service today files the responses of witness Linda Malone to the above-identified interrogatories of the Public Representative, dated January 3, 2014. The interrogatories are stated verbatim and followed by the responses.

Respectfully submitted,

UNITED STATES POSTAL SERVICE  
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## **RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MALONE TO PUBLIC REPRESENTATIVE INTERROGATORY**

### **PR/USPS-T1- 1**

On page 5 of your testimony, you state that the proposed change “would also affect DSCF Standard Mail entered at the Section Center Facility (SCF) in San Juan, Puerto Rico and destined for the U.S. Virgin Islands, and also any DSCF Standard Mail destined for American Samoa. For such mail accepted on Friday, the expected delivery day would change from Tuesday to Wednesday; and for such mail accepted on Saturday, the expected delivery day would change from Wednesday to Thursday.”

- a. Please confirm that all DSCF Standard Mail dropped at the SCF in Puerto Rico and destined to the U.S. Virgin Islands, or destined to American Samoa presently has a 4-day service standard. If not confirmed, please explain.
- b. Please provide the FY 2013 DSCF Standard Mail volume that (1) was dropped at the SCF in Puerto Rico and destined to the U.S. Virgin Islands and (2) was destined to American Samoa, disaggregated by day of the week.
- c. Please describe and to the extent possible, quantify the benefits the Postal Service expects to realize by changing the delivery standard for DSCF Standard Mail (1) entered at the SCF in San Juan, Puerto Rico and destined to the U.S. Virgin Islands and (2) destined to American Samoa.
- d. Please explain whether the results of the South Jersey Operations Test are representative of the benefits the Postal Service expects to realize by changing the delivery standard for (1) DSCF Standard Mail entered at the SCF in San Juan, Puerto Rico and destined to the U.S. Virgin Islands and (2) any DSCF Standard Mail destined to American Samoa.

### **RESPONSE**

- (a) That is the current service standard published in 39 C.F.R. 121.3(b)(2)-(3).
- (b) Responsive volume data are being filed by the Postal Service non-publicly in USPS Library Reference N2014-1/NP1.
- (c-d) I am much more familiar with DSCF Standard Mail operations affected by the South Jersey Operations Test and the proposed service change planned to take effect there than I am with the operations affecting DSCF Standard Mail destined for the US Virgins Islands and Samoa. Although I have examined the data referenced in subpart (b), I have not performed any analysis of the operations through which the latter mail flows.

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However, given the relatively low DSCF Standard Mail volume delivered to those off-shore destinations in dictated in USPS, it is safe to conclude that any operational efficiency gains and benefits obtained from implementing the proposed service standard change there would be very small in comparison to the gains and benefits likely to result in the service area of the South Jersey Operations Test.

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**PR/USPS-T1-2**

On page 4 of your testimony, Table 2 contains a summary of FY 2013 Q1 volume for Full Service IMb Standard Mail and number of dropship appointments disaggregated by day of the week.

- a. Please provide the disaggregated data, by facility and day of the week, used to create this table.
- b. Please provide the volume and number of dropship appointments, disaggregated by facility and day of the week, for Full Service IMb Standard Mail for FY 2013 Q2, Q3, and Q4.
- c. Please provide the volume and number of dropship appointments, disaggregated by facility and day of the week, for non-Full Service IMb Standard Mail for FY 2013 Q1, Q2, Q3, and Q4.

**RESPONSE**

(a-c) I am informed that the Postal Service is filing responsive data in non-public USPS Library Reference N2014/NP2.

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### **PR/USPS-T1-3**

On pages 8-11 of your testimony, you describe MTAC Workgroup 157, a committee of mailing industry representatives and postal managers which discussed strategies for workload leveling prior to the South Jersey Operations Test.

- a. Please identify, describe, and provide all documents pertaining to MTAC Workgroup 157 meetings, including but not limited to meeting minutes, meeting notices, and MTAC presentations.
- b. Please identify any members of MTAC Workgroup 157 that mail fewer than 100,000 DSCF Standard Mail pieces/year.
- c. Please identify and provide any feedback from any MTAC member that supported an earlier CET for Friday and Saturday instead of altered service standard for DSCF Standard Mail accepted on Fridays and Saturdays.

### **RESPONSE**

- (a) The MTAC Workgroup 157 documents will be contained in USPS Library Reference N2014-1/6.
- (b) MTAC Workgroup 157 is comprised of volunteer MTAC representatives employed by the mailing industry firms or associations identified in the materials provided in response to subpart (a). No effort was made to restrict Workgroup participation based on mail volume generated by any participating mailer or clients of mail service providers. MTAC Workgroup members often represent the interests of an industry group or association to which their firm belongs, and the interests of that group or association can be diverse, in terms of mail volume. Some of the Workgroup 157 members work for firms that provide mail production, printing, presorting, and entry services to bulk mailers of different sizes. The Postal Service does not have data that reflect the mail volume generated by each of these firms' clients.

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(c) [Response forthcoming]

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**PR/USPS-T1-4**

On page 15 of your testimony, you state that some mailers with a strong preference for Monday delivery and would enter mail on Thursday to preserve Monday delivery, but believe “based on earlier discussions with mailers” that many mailers will not change their mail entry patterns.

- a. Please identify, describe, and provide all documents detailing these discussions with mailers.
- b. Please identify, describe, and provide all documents related to any nationwide or substantially nationwide study or survey undertaken by the Postal Service to assess the volume of DSCF Standard Mail that would be entered on a different day under the adjusted service standard. If no such study or survey was undertaken, please describe the reason(s) why not.

**RESPONSE**

- (a) [Response forthcoming]
- (b) No such study or survey has been undertaken. The Postal Service assumes that feedback received through the Workgroup and as part of the rulemaking will provide useful insight.

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### **PR/USPS-T1-5**

On page 12 of your testimony, you identify two reasons that the South Jersey Plant was selected for the operations test: (1) it has been serving as a pilot site for the roll-out of several Lean Mail Processing standardization initiatives and (2) it was accessible to headquarters personnel supervising the test.

- a. Please describe how South Jersey Plan's experience as a pilot site for the roll-out of several Lean Mail Processing standardization initiatives made it more suitable for the operations test.
- b. To what extent may the South Jersey Plan's experience as a pilot site for the roll-out of several Lean Mail Processing standardization initiatives positively skewed the results of the operations test?
- c. Please describe, in detail, any additional considerations that led to the selection of the South Jersey Plant for the operations test.

### **RESPONSE**

(a-c) In a nutshell, the objective of Lean Mail Processing (LMP) is to standardize mail numerous mail processing activities that are common to mail processing plants, in order to reduce cycle times, identify waste, and minimize local practices and variations in process that increase the likelihood of error in staging and transfer of mail between operations. Roll-out of LMP has been underway in each postal administrative area and will eventually reach each administrative district. Given the objectives of LMP, one would expect a plant to which it has been applied to operate better than it was operating beforehand. As LMP is implemented throughout the network in the spring of 2014, one expects the operations of affected plants to experience the same types of improvements that have resulted from implementation of LMP in South Jersey and other "vanguard" locations. My relatively recent tenure as the District Manager had acquainted me with the plant's management team. When headquarters seeks to impose the burden of an operations test on field managers



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whose plates are already full, direct knowledge of their operations and a reservoir of goodwill from recently working together can go a long way to ensuring that their initial response is more along the lines of “Sure!”, as opposed to “Why us?”. The plant is only several hours away from headquarters by car, which made it relatively convenient for those of us who wanted to observe operations first-hand.

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### **PR/USPS-T1-6**

On page 16 of your testimony, you identify a second operations test, conducted in December 2013, in the Capital District and state that “[t]he Postal Service anticipates compiling periodic reports of data from this test in a library reference.”

- a. What were/are the dates for the Capital District Operations Test?
- b. Please explain all of the reasons why the Capital District selected for the second operations test.
- c. What additional information did the Postal Service hope to learn from the Capital District Operations Test?
- d. When does the Postal Service expect to file the library reference detailing the Capital District Operations Test in this proceeding?

### **RESPONSE**

The current schedule for implementation of the Capital District test at each participating plant is indicated below:

Southern Maryland: December 5, 2013

Curseen-Morris: January 9, 2014

Suburban Maryland: (expected) January 23, 2014

As they are finalized, a copy of each Capital District plant’s operating plan will be filed as a separate USPS Library Reference.

After internal review of the South Jersey test results in October 2013, we shared the results with MTAC Workgroup 157 in October 2013. In November 2013, they asked if we could schedule additional testing. I relayed the request to senior management and was directed to identify additional test sites. At the time, I was aware that the Capital District had a very high percentage of carriers out on their routes after 17:00 hours, and I was interested in examining the extent to which Load Leveling could have a beneficial impact. The district’s proximity to headquarters

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also would provide additional opportunity to observe testing first-hand.

The decision to initiate additional testing in the Capital District was made shortly after the tragic incident on November 23, 2013, in which a City Carrier Assistant was shot and killed while delivering mail in Landover, Maryland.

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### **PR/USPS-T1-7**

On page 16 of your testimony, you state that the Postal Service may test the operating concept in additional administrative districts during the pendency of this proceeding.

- a. Please describe any current plans to conduct additional operations tests.
- b. Please describe the selection criteria for choosing the locations for additional operations tests.
- c. Please describe the projected dates and locations for any additional operations tests currently planned.
- d. When does the Postal Service expect to finalize its determinations concerning additional operations tests?

### **RESPONSE**

For purposes of refining our ability to implement system-wide, it is our objective to test Load Leveling in one administrative District in each administrative Area of the postal system. Although we have established no criteria that would define a representative cross-section, we will likely end up selecting mail processing plant service areas that vary in size and operational complexity. Any such testing additional testing is expected to commence in February 2014. Tests will run at least two weeks in each location.

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**PR/USPS-T1-8**

On page 17 of your testimony, Table 7 “Percentage City Carriers Returning After 1700 Hours” contains the percentage of carriers returning after 5 pm since October of 2005.

- a. Please provide the data used to create Table 7.
- b. Please identify the postal database(s) used as a source for Table 7.

**RESPONSE**

Responsive data from the USPS Delivery Operations Information System are being filed as public USPS Library Reference N2014-1/10.

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### **PR/USPS-T1-9**

Library Reference USPS-LR-N2014-1/2 associated with your testimony contains estimates of the mail processing and carrier route labor impacts of the Postal Service's proposal.

- a. Do you estimate that implementation of the Load Leveling Plan will decrease mail processing labor workhours by roughly 2 percent, if implemented? If not, please explain.
- b. Do you estimate that implementation of the Load Leveling Plan will decrease city carrier overtime workhours by roughly 35 percent, if implemented? If not, please explain.
- c. Please identify, describe, and provide all documents detailing the savings the Postal Service expects to realize by implementing the Load Leveling Plan nationwide.

### **RESPONSE**

(a-c) The Postal Service has not performed any analysis that would provide a basis for estimating mail processing or delivery workload reductions or cost savings resulting from Load Leveling on a system-wide basis. We do not regard the South Jersey District to be representative of the mail processing and delivery network as a whole. Accordingly, we caution against projecting its results as being indicative of national results. We expect positive results that will vary by locality.

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**PR/USPS-T1-10**

Library Reference USPS-LR-N2014-1/2 associated with your testimony contains estimates of the mail processing and carrier route labor impacts of the Postal Service's proposal.

- a. File "SJ F1 Results.xls" tab "Data" contains MODS FHP, TPF, TPH and Workhours by day of the week from 8/1/13 to 9/30/13 for ZIPs 080-084. Please provide this data disaggregated by MODS operation.
- b. File "SJ F2 Results.xls" tab "Data" contains DOIS data by day of the week from 8/1/13 to 9/30/13. Please provide this data disaggregated by route.

**RESPONSE**

I am informed that responsive data are being filed in non-public USPS Library

Reference N2014-1/NP3.